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POST-GENEVA OUTLOOK IN INDOCHINA

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 3 August 1954. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, G-2, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; the Deputy Director for Intelligence, The Joint Staff. The Director of Intelligence, AEC, and the Assistant to the Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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POST-GENEVA OUTLOOK IN INDOCHINA

THE PROBLEM

To assess the probable outlook in Indochina in the light of the agreements reached at the Geneva conference.

CONCLUSIONS

1. The signing of the agreements at Geneva has accorded international recognition to Communist military and political power in Indochina and has given that power a defined geographic base.

2. We believe that the Communists will not give up their objective of securing control of all Indochina but will, without violating the armistice to the extent of launching an armed invasion to the south or west, pursue their objective by political, psychological, and paramilitary means.

3. We believe the Communists will consolidate control over North Vietnam with little difficulty. Present indications are that the Viet Minh will pursue a moderate political program, which together with its strong military posture, will be calculated to make that regime appeal to the nationalist feelings of the Vietnamese population generally. It is possible, however, that the Viet Minh may find it desirable or necessary to adopt a strongly repressive domestic program which would diminish its appeal in South Vietnam. In any event, from its new territorial base, the Viet Minh will intensify Communist activities throughout Indochina.

4. Although it is possible that the French and Vietnamese, even with firm support from the US and other powers, may be able to establish a strong regime in South Vietnam, we believe that the chances for this development are poor and, moreover, that the situation is more likely to continue to deteriorate progressively over the next year. It is even possible that, at some time during the next two years, the South Vietnam Government could be taken over by elements that would seek unification with the North even at the expense of Communist domination. If the scheduled national elections are held in July 1956, and if the Viet Minh does not prejudice its political prospects, the Viet Minh will almost certainly win.

5. The ability of the Laotian Government to retain control in Laos will depend upon developments in South Vietnam and upon the receipt of French military and other assistance. Even with such assistance, however, Laos will be faced by a growing Communist threat which might result in the overthrow of the present government through subversion or elections, and in any case would be greatly intensified if all

Vietnam were to fall under Communist control.

6. We believe that if adequate outside assistance is made available, the Cambodian Government will probably increase its effectiveness and the effectiveness of its internal security forces and will be able to suppress Communist guerrilla activity and to counter Communist political activity. The situation in Cambodia would probably deteriorate, however, if a Communist government should emerge in Laos or South Vietnam.

DISCUSSION

I. THE CURRENT SITUATION

General

7. The signing of the agreements at Geneva has ended large-scale warfare in Indochina and has affirmed the independence of Laos and Cambodia. It has, on the other hand, accorded international recognition to Communist military and political power in Indochina and has given that power a defined geographic base. Finally, the agreements have dealt a blow to the prestige of the Western Powers and particularly of France.

North Vietnam

8. The Viet Minh has emerged from Geneva with international recognition and with greatly enhanced power and prestige in Indochina. The Viet Minh leaders, while admitting that their ultimate objectives may have been temporarily compromised "for the sake of peace," are acclaiming the agreements as denoting a major victory and ensuring the eventual reunification of all Vietnam under Communist aegis. Ho Chi-Minh is generally regarded as the man who liberated Tonkin from 70 years of French rule. The Viet Minh has initiated a program to absorb presently French-controlled areas in the Tonkin Delta.

South Vietnam

9. In South Vietnam, the agreements and the fact of the imposed partition have engendered an atmosphere of frustration and disillusionment, which has been compounded by widespread uncertainty as to French and US intentions. The present political leadership appears to retain the passive support of the more important nationalist organizations and individuals. However, the government's already weak administrative base has been further dislocated, and it has only uncertain assurances of continued outside military and financial support. Mutual jealousies and a lack of a single policy continue to divide Vietnamese politicians. Moreover, certain pro-French elements are seeking the overthrow of the Diem government with the apparent support of French colonial interests anxious to retain their control.

10. The North Vietnam population is somewhat greater than the South Vietnam population and, in any event, the loss of the Tonkin Delta has deprived South Vietnam of the most energetic and nationalist segment of the population. Although South Vietnam has the capability for agricultural self-sufficiency, the principal industrial establishments and fuel and mineral resources are located in North Vietnam.

11. Provided that the terms of the cease-fire agreement are observed, the combined French-Vietnamese forces in South Vietnam now have the capability of maintaining internal security.

Laos

12. The relatively stable internal situation in Laos, which in the past has depended upon French support, remains essentially unchanged. The Laotian Army is poorly armed and trained and, without the support of French forces and advisers, does not have the capability to maintain internal security. Moreover, "Pathet Lao" Communists continue to have *de facto* control of two northern

provinces adjoining the Communist-controlled areas of Northern Vietnam. Furthermore, the Geneva agreements give members of the "Pathet Lao" movement freedom of political action throughout Laos.

Cambodia

13. The internal Cambodian situation, except for sharp political rivalries among leading Cambodians, is at present relatively stable. Non-Communist dissidence appears to have abated and the principal dissident leader, Son Ngoc Thanh, no longer poses any real threat to the government. The King retains widespread popular support for having obtained a large degree of effective independence from the French and for having safeguarded Cambodia's integrity at Geneva. Although the Communists are permitted freedom of political action in Cambodia, they have only a minimum appeal. The Cambodian forces, although somewhat weakened by the withdrawal of French forces, have the capability of dealing with current Communist subversive action.

II. OUTLOOK IN INDOCHINA

General Considerations

14. The Geneva agreements, although precise and detailed concerning the time and place of troop redeployments and related matters, are imprecise about matters pertaining to future military aid and training. Moreover, the agreements are vague with respect to political matters. Details on the implementation of national elections are left for the interested parties to determine. Except for such influence as may be exerted by the presence of supervisory teams from India, Canada, and Poland, there is no provision for forcing the parties concerned to implement or adhere to the agreements.

15. The course of future developments will be determined less by the Geneva agreements than by the relative capabilities and actions of the Communist and non-Communist entities in Indochina, and of interested outside powers.

16. *Communist policy.* Communist willingness to reach agreement for an armistice in Indochina, at a time when prolongation of the conflict could have produced a steadily deteriorating situation in Indochina, was probably derived in substantial part from the Communist estimate that: (a) an effort to win a total military victory in Indochina might precipitate US military intervention, and (b) the objective of gaining political control over all Indochina could be achieved as a result of the armistice agreement. The Communists also apparently believed that an attitude of "reasonableness" and the acceptance of an armistice in Indochina would contribute to the realization of their objective to undermine western efforts to develop an effective military coalition. They probably consider, therefore, that a deliberate resumption of large-scale military operations from their zone in the north would negate the political and psychological advantages the Communists have gained by negotiating a settlement and could involve grave risk of expanded war.

17. In the light of these considerations, we believe that the broad outlines of Communist policy in Indochina will be to: (a) refrain from deliberately taking major military action to break the armistice agreement while seeking to gain every advantage in the implementation of the agreements; (b) consolidate the Communist political, military, and economic position in North Vietnam; (c) conduct intensive political warfare against non-Communist Indochinese governments and people; (d) work for the ultimate removal of all Western influence, particularly French and US, from Indochina; and (e) emphasize and exploit issues in Indochina which will create and intensify divisions among non-Communist countries. In sum, we believe that the Communists will not give up their objective of securing control of all Indochina but will, without violating the armistice to the extent of launching an armed invasion to the south or west, pursue their objective by political, psychological, and paramilitary means.

18. *French policy.* It is impossible at this time to predict even the broad outlines of French policy in Indochina. The following appear to be the main alternatives:

a. Grant of complete political independence to the Indochina states, accompanied by an attempt to organize strong political regimes in those states. We believe that the French might be persuaded to adopt this policy by strong US–UK pressure, together with economic and military assistance to France and a guarantee of the defense of the free areas of Indochina against further Communist military attack.

b. Continuation of French Union ties with the non-Communist Indochinese states, with indirect French political controls and French economic domination. We believe that French policy may proceed along these lines if the French estimate that: (1) the Communists will follow a conciliatory policy in Indochina; (2) the non-Communist leadership will offer very little difficulty; and (3) the US and UK will not exert pressure toward a grant of full independence to the Indochinese states.

c. Some form of agreement with the Viet Minh providing for expediting elections and achieving a unification of Vietnam. The French might be inclined to follow this line if the Viet Minh held out promises of the maintenance of French economic and cultural interests, and of the continuance of some form of association of the unified Vietnamese state with France.

d. Withdrawal of all French military, administrative, and economic support from Indochina. We believe that this would occur only in the event of a hopeless deterioration of political, military, and economic conditions in the area.

19. *International policies.* The political survival of the Indochinese states is endangered not only by the threat of external Communist attack and internal Communist subversion, but also by their own inherent inexperience, immaturity, and weakness. We believe that without outside support the Indochinese states cannot become strong enough to withstand Communist pressures. The course of developments in Indochina will be largely influenced by the attitudes and policies of other powers. In general, we believe that in the absence of firm support from the US, the non-Communist states of Indochina cannot long remain non-Communist. If they are given opportunity, guidance, and material help in building national states, they may be able to attain viability. We believe that the energy and resourcefulness necessary for this achievement will not arise spontaneously among the non-Communist Indochinese but will have to be sponsored and nurtured from without.

Outlook in Vietnam

20. *Outlook in North Vietnam.* Communist activities in North Vietnam will be concentrated upon consolidation of Communist control, with their efforts in this respect probably appearing moderate at the outset. The Viet Minh will probably emphasize social and economic reforms and the participation of all political, economic, and religious groups in state activity. At the same time, Viet Minh cadres will establish themselves throughout the Delta, will begin the process of neutralizing all effective opposition groups, will undertake the usual Communist program of popular indoctrination, and will prepare for the election scheduled in July 1956. We believe the Communists will be able to achieve the consolidation of North Vietnam with little difficulty.

21. We believe that the Viet Minh will continue to develop their armed forces. Although the armistice provisions forbid the Viet Minh from increasing their supply of arms, we believe they will covertly strengthen and possibly expand their armed forces with Chinese Communist aid. Viet Minh forces will almost certainly continue to receive training in China.

22. Thus established firmly in North Vietnam, the Viet Minh regime will probably retain and may increase its symbolic attraction as the base of Vietnamese national independence. Its methods of consolidating control will probably continue for some time to be moderate, and, its internal program together with its military power, will be calculated to make the regime attractive to the remaining peoples of Indochina. It is possible, however, that the Viet Minh may find it desirable or necessary

to adopt a strongly repressive domestic program which would prejudice its psychological appeal and political prospects. Barring such repressive Viet Minh policies, the unification issue will continue to be exploited to Communist advantage throughout Vietnam. Meanwhile, the Viet Minh regime will continue to strengthen the Communist underground apparatus in South Vietnam, Laos, and Cambodia, aware that significant Communist gains in any one of these countries will strengthen the Communist movement in the others. It will seek to develop strong overt Communist political groups where possible and will generally use all available means towards the eventual unification of the country under Communist control.

23. *Outlook in South Vietnam.* We believe that the Viet Minh will seek to retain sizeable military and political assets in South Vietnam. Although the agreements provide for the removal to the north of all Viet Minh forces, many of the regular and irregular Viet Minh soldiers now in the south are natives of the area, and large numbers of them will probably cache their arms and remain in South Vietnam. In addition, Viet Minh administrative cadres have been in firm control of several large areas in central and south Vietnam for several years. These cadres will probably remain in place. French and Vietnamese efforts to deal with "stay-behind" military and administrative units and personnel will be greatly hampered by armistice provisions guaranteeing the security of pre-armistice dissidents from reprisals.

24. The severe problem of establishing and maintaining security in South Vietnam will probably be increased by certain provisions of the Geneva agreements which prohibit the import of arms and military equipment, except as replacements, and the introduction of additional foreign military personnel, the establishment of new military bases, and military alliances. These provisions limit the development of a Vietnamese national army to such numbers as may be equipped by stocks evacuated from Tonkin, plus stocks now held in Saigon. However, in the last analysis, Vietnamese security will be determined by the degree of French protection and assistance in the development of a national army, the energy with which the Vietnamese themselves attack the problem, and by the will of the non-Communist powers to provide South Vietnam with effective guarantees.

25. In addition to the activities of stay-behind military and administrative groups, the Viet Minh will make a major effort to discredit any South Vietnam administration, and to exacerbate French-Vietnamese relations, and appeal to the feeling for national unification which will almost certainly continue strong among the South Vietnamese population. The Communist goal will be to cause the collapse of any non-Communist efforts to stabilize the situation in South Vietnam, and thus to leave North Vietnam the only visible foundation on which to re-establish Vietnamese unity. French and anti-Communist Vietnamese efforts to counter the Viet Minh unity appeal and Communist subversive activities will be complicated at the outset by the strong resentment of Vietnamese nationalists over the partitioning of Vietnam and the abandoning of Tonkin to Communist control. It may be difficult to convince many Vietnamese troops, political leaders, and administrative personnel in Tonkin to go south, let alone to assist actively in the development of an effective administration in South Vietnam.

26. Developments in South Vietnam will also depend in large part on French courses of action. Prospects for stability in South Vietnam would be considerably enhanced if the French acted swiftly to insure Vietnam full independence and to encourage strong nationalist leadership. If this were done, anti-French nationalist activity might be lessened. With French military and economic assistance — backed by US aid — the Vietnamese could proceed to develop gradually an effective security force, local government organization, and a long-range program for economic and social reform. Nevertheless, it will be very difficult for the French to furnish the degree of assistance which will be required without at the same time reviving anti-French feeling to the point of endangering the whole effort.

27. On the basis of the evidence we have at this early date, however, we believe that a favorable development of the situation in South Vietnam is unlikely. Unless Mendes-France is able to overcome the force of French traditional interests and emotions which have in the past governed the implementation of policy in Indochina, we do not believe there will be the dramatic transformation in French policy necessary to win the active loyalty and support of the local population for a South Vietnam Government. At the present time, it appears more likely that the situation will deteriorate in South Vietnam and that the withdrawal from Tonkin will involve recriminations, distrust, and possibly violence. There will be delays in the development of effective administration in the south; the French military will probably be forced to retain a large measure of control for reasons of "security"; and efforts by French colonial interests to develop a puppet Cochin-China state will persist. It is even possible that at some point during the next two years the South Vietnam Government could be taken over by elements that would seek unification with the Viet Minh in the North even at the expense of Communist domination. Even if a stable government could be established, we estimate that the national elections scheduled for July 1956 would almost certainly give the Viet Minh control of South Vietnam.

28. In the interim, Viet Minh propaganda will find ample opportunities to influence Vietnamese attitudes. Within a year, Viet Minh stay-behind units will probably be active politically, and possibly involved in open guerrilla fighting. In these circumstances, the French will probably be able to maintain their "presence" in South Vietnam through mid-1956, but their influence will probably become increasingly restricted to major cities and the perimeters of military installations and bases. The French might be willing to resolve this situation by an arrangement with the Communists which seemed to offer a chance of saving some remnant of the French economic and cultural position in Vietnam. Such an arrangement might include an agreement to hold early elections, even with the virtual certainty of Viet Minh victory. Only if such an arrangement proved impossible, and the situation deteriorated to the point of hopelessness, would the French withdraw completely from the country.

Outlook in Laos

29. Providing the French maintain the 5,000 troops in Laos which the Geneva agreements permit them, and continue to develop the Laotian forces, the Royal Laotian Government should be able to improve its security forces and, excluding the two northern provinces, to deal with isolated, small-scale Communist guerrilla actions. Also, providing the Laotians continue to receive French and US technical and financial assistance, they probably will be able to maintain an adequate government administration. There is nothing in the Geneva agreements to prevent Laos from becoming a member of a defense arrangement so long as no foreign troops other than specified French personnel are based in Laos.

30. However, if the French for any reason decide not to maintain their troops nor to continue military training in Laos, it will be impossible for the non-Communist powers to provide effective aid to the Laotians without breaching the Geneva agreement. At the same time, Laos will be faced with a growing Communist threat, and the freedom of political action permitted members of the Pathet Lao movement, strengthened by support from the Viet Minh, may result in the overthrow of the present government through subversion or elections. Finally, further successes for the Viet Minh in Vietnam will have an immediate adverse effect on the situation in Laos.

Outlook in Cambodia

31. We believe that the Communists, in withdrawing organized units from Cambodia, will leave behind organizers, guerrilla leaders, and weapons. Initially, the Communists will probably minimize guerrilla action in order to concentrate on building their political potential in Cambodia.

32. Providing the withdrawal of the Communists is substantially in accord with the agree-

ment, the development of stability in Cambodia during the next year or so will depend largely on two interrelated factors: (a) the ability of the Cambodians to develop effective government and internal security forces; and (b) the ability of the Cambodians to obtain external technical and financial assistance. There is no prohibition in the Geneva agreements against Cambodia's obtaining outside assistance to develop its defense forces or on joining a defensive alliance, providing the latter is in consonance with the UN Charter and that no foreign troops are based in Cambodia in the absence of a threat to Cambodian security. If adequate outside assistance is made available, the Cambodians will probably increase the effectiveness both of their government and their internal security forces, and will be able to suppress Communist guerrilla activity and to counter Communist political activity. The efforts of the Cambodians to strengthen their position would probably be more energetic if their independence were guaranteed by some regional defense arrangement. The situation in Cambodia would deteriorate gravely, however, if a Communist government should emerge in Laos or South Vietnam.